

FINDING OF EMERGENCY

The basis for emergency adoption of these regulations is as follows:

Family Code, Section 17306(e)(2), states in relevant part:

“The department may adopt regulations to implement this division in accordance with the Administrative Procedure Act. The adoption of any emergency regulation filed with the Office of Administrative Law on or before January 1, 2003, shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety or general welfare. These emergency regulations shall remain in effect for no more than 180 days.”

Family Code, Section 17550(e), states in relevant part:

“The department shall promulgate all necessary regulations pursuant to this section on or before October 1, 2002 including regulations that set forth guidelines to be used by the local child support agency when compromising public assistance debt.”

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW:

State law, Family Code, Section 17550, provides, in part, that the local child support agency (LCSA) may compromise arrearages and interest owed for reimbursement for certain public assistance payments paid for a child placed in foster care or with a relative caretaker or a guardian. The statute authorizes the LCSAs to compromise arrearages in cases where separation or desertion of a parent results in aid being granted to a child and subsequently, the child is returned to the parent.

- Subsection (a) specifies, in part, that the obligor parent must also meet the following conditions:
 - (1) The obligor parent must establish one of the following:
 - (A) The child has been adjudged a dependent of the court under Section 300 of the Welfare and Institutions Code and the child has been reunified with the obligor parent pursuant to a court order.
 - (B) The child received public assistance while living with a guardian or relative caregiver and the child has been returned to the custody of the obligor parent, provided that the obligor parent for whom the debt compromise is being considered was the parent with whom the child resided prior to the child's placement with the guardian or relative caregiver.
 - (2) The obligor parent, for whom the debt compromise is being considered, has an income less than 250 percent of the current federal poverty level.
 - (3) The local child support agency has determined that the compromise is necessary for the child's support.

- Subsection (b) specifies, in part, that prior to compromising an obligor parent's liability for debt incurred for either Aid to Families with Dependent Children-Foster Care payments or for CalWORKs payments provided on behalf of the child, the local child support agency shall consult with the county child welfare department.
- Subsection (c) specifies, in part, that this provision does not relieve an obligor parent who has not been reunified with his or her child of their child support liability.

These emergency regulations interpret, implement, and make specific the state law cited above by: (1) requiring the LCSA to compromise assigned arrearages and interest that accrued while the child was out of the home for those families that meet the criteria of Family Code Section 17550(a); (2) requiring the LCSA to temporarily suspend enforcement and collection of arrearages while the compromise application is pending; and (3) describing the process and procedures for determining eligibility and implementing the compromise. Specifically, the regulations make the following changes to Title 22, California Code of Regulations:

Chapter 9. Collection and Distribution.

Article 1. Definitions

Sections 119015, 119019, 119045, 119069, and 119076 were adopted to define program terms and phrases related to the compromising of arrearages in the application and approval processes.

Chapter 9. Collection and Distribution.

Article 6. Compromise of Arrearages.

This article contains the criteria and procedures the local child support agencies must follow to determine whether an applicant qualifies for a compromise of assigned arrearages, the procedures for denial and approval of an application, and the procedures for implementing a compromise of arrearages. In the development of the criteria and procedures outlined in these regulations the department consulted with staff of the Department of Social Services, local county welfare department staff and staff from local child support agencies.

Section 119191 was adopted to specify the general compromise application processing requirements. It clarifies the procedures for determining if an applicant qualifies for a temporary suspension of collection and enforcement activities. It specifies the requirements for verification of eligibility and identifies the requirements, procedures and timeframes for approving or denying an application for compromise and for setting a payment amount on any remaining arrearage balance. This section further specifies the requirements, procedures and timeframes for implementing a compromise of arrearages and limits the ability to repeatedly compromise debt owed to deter the abuse of this provision.

These regulations establish requirements and incorporate by reference the following forms:

1. "Compromise of Arrearages Information Sheet", CS 4476, dated 9/02.
2. "Application for Compromise", CS 4477, dated 9/02.
3. "Notice of Eligibility for Compromise of Arrearages", CS 4478, dated 9/02.
4. "Notice of Denial of Application for Compromise", CS 4479, dated 9/02.
5. "Notice of Temporary Suspension of the Child Support Collection and Enforcement", CS 4480, dated 9/02.
6. "Notice of Incomplete Application for Compromise", CS 4481, dated 9/02.

AUTHORITY: Sections 17306, 17310 and 17312, of the Family Code.

REFERENCE: Sections 708.420 and 708.440(a), Code of Civil Procedures; Sections 17402, 17406(j) & (k), 17520(g)(2) and 17550, Family Code; Sections 361(e), 11200, 11360, 11362, 11400, 11401 and 16507.2, Welfare and Institutions Code; 42 United States Code, Section 9902(2).

ALL COST IMPACTS KNOWN TO THE DEPARTMENT AT THE TIME THE EMERGENCY ACTION WAS SUBMITTED TO THE OFFICE OF ADMINISTRATIVE LAW THAT A REPRESENTATIVE PRIVATE PERSON OR BUSINESS WOULD NECESSARILY INCUR IN REASONABLE COMPLIANCE WITH THE PROPOSED ACTION:

The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

The Department has made an initial determination that the regulations would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. These regulations specify the requirements and criteria for compromising arrearages by local child support agencies.

The Department has determined that the regulations would not significantly affect the following:

- (1) The creation or elimination of jobs within the State of California.
- (2) The creation of new businesses or the elimination of existing businesses within the State of California.
- (3) The expansion of businesses currently doing business within the State of California.

The Department has determined that the regulations would not affect small businesses. Small business would not be required to comply with or enforce these regulations nor are they expected to incur either benefits or detriments from them.

FISCAL IMPACT ESTIMATE:

- A. Fiscal Effect on Local Government: \$1,039,000 loss for FY 2002-2003, and \$1,801,000 loss Annually/Ongoing.
- B. Cost or Savings to any State Agency: \$718,000 loss for FY 2002-2003, and \$1,225,000 loss Annually/Ongoing.
- C. Cost or Savings in Federal Funding to the State: \$708,000 loss for FY 2002-2003, and \$1,192,000 loss Annually/Ongoing.
- D. Other Nondiscretionary Costs or Savings Imposed on Local Agencies: None.

LOCAL MANDATE DETERMINATION:

The Department has determined that the regulations would impose a mandate on local agencies or school districts, but there are no costs for which reimbursement is required by Part 7 (commencing with Section 17500) of Division 4 of the Government Code because the activities required by the regulations are fully funded through:

- (1) Federal incentives and subventions to local agencies under the provisions of 42 U.S.C., Section 658a and 45 CFR, Section 304.
- (2) State incentives and subventions to local agencies under the provisions of Family Code, Sections 17700(c) and 17704(b)(2)(B)(i).

CONSIDERATION OF ALTERNATIVES:

The Department must determine that no reasonable alternative considered by the Department or that is otherwise identified or brought to the attention of the Department would be more effective in carrying out the purpose for which these regulations are being implemented or would be as effective and less burdensome to affected private persons than these regulations.

IMPACT ON HOUSING COSTS:

The Department has determined that the regulations will have no impact on housing costs.

(1) Adopt Section 119015 to read as follows:

Chapter 9. Collection and Distribution.

Article 1. Definitions.

Section 119015. Compromise of Assigned Arrearages.

“Compromise of assigned arrearages” means an agreement to reduce arrearages, including interest, owed to the state in cases where separation or desertion of both parents from a child resulted in aid being granted for the child in the form of Aid to Families with Dependent Children-Foster Care (AFDC-FC) payments or California Work Opportunity and Responsibility to Kids Act (CalWORKs) payments inclusive of payments for Kinship Guardianship Assistance Payment Program (KinGAP).

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Section 17550, Family Code.

(2) Adopt Section 119019 to read as follows:

Section 119019. County Welfare Worker.

“County welfare worker” means a county worker providing social services in child welfare programs or a county worker determining eligibility for assistance programs.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Section 17550, Family Code.

(3) Adopt Section 119045 to read as follows:

Section 119045. Guardian.

“Guardian” means the legal guardian of the child, who assumed care and control of the child while the child was in the guardian’s control, and who is not a biological or adoptive parent.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Section 17550, Family Code.

(4) Adopt Section 119069 to read as follows:

Section 119069. Placement.

“Placement” means either the voluntary placement by an applicant who had custody of his/her child and placed the child in out-of-home care or the placement of a child in out-of-home care as a result of a child being declared a dependent child of the court under Welfare and Institutions Code Section 300.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Sections 361(e) and 11400(k), Welfare and Institutions Code.

(5) Adopt Section 119076 to read as follows:

Section 119076. Relative Caregiver.

“Relative caregiver” means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words “great,” “great-great,” or “grand” or the spouse of any of those persons even if the marriage was terminated by death or dissolution and who assumed primary responsibility for the child while the child was in the relative’s care and control, and who is not a biological or adoptive parent.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
Reference: Section 17550, Family Code; Section 11362(c), Welfare and Institutions Code.

(6) Adopt Article 6 and Section 119191 to read as follows:
Chapter 9. Collection and Distribution.

Article 6. Compromise Of Assigned Arrearages

Section 119191. Compromise of Assigned Arrearages.

(a) The local child support agency shall provide a Compromise Application Packet to a person on the day it is requested in person, or mail the Compromise Application Packet within 5 business days of receipt of a telephone or written request, or whenever the local child support agency becomes aware that an obligor has been reunited with his/her child(ren). The Compromise Application Packet shall consist of:

(1) Application for Compromise, form CS 4477, dated (09/02), incorporated by reference herein,

(2) Relevant court form(s) providing information on the applicant's income and expenses, and

(3) Application for Compromise Information Sheet, form CS 4476, dated (09/02), incorporated by reference herein.

(b) When the local child support agency receives a Compromise Application Packet, the local child support agency shall verify that the Compromise Application Packet contains the required documents and information, or that the local child support agency otherwise has the information required available, and shall review the Compromise Application Packet for completeness.

(1) Within 10 business days of the date of receipt of an incomplete Compromise Application Packet, the local child support agency shall mail to the applicant a Notice of Incomplete Application for Compromise, form CS 4481, dated (09/02), incorporated by reference herein.

(2) Within 10 business days of the date of receipt of the completed Compromise Application Packet, the local child support agency shall take the following actions:

(A) Make a determination of an applicant's eligibility for temporary suspension of enforcement and collection actions pending a final determination of eligibility for compromise as specified in Subsection (d).

(B) If the applicant meets the requirements specified in Subsection (d) below, the local child support agency shall send the applicant a Notice of Temporary Suspension Of Child Support Collection and Enforcement, form CS 4480, dated (09/02), incorporated by reference herein. The applicant shall be advised that his/her application for compromise is complete and that he/she does qualify for temporary suspension of collection and enforcement actions on the assigned arrearages which accrued during the time that his/her child was in out-of-home care, as defined in Subsection (d)(2) below.

(C) If the applicant does not meet the requirements specified in Subsection (d) below, the local child support agency shall send the applicant a Notice of Denial of Application for Compromise, form CS 4479, dated (09/02), incorporated by reference herein.

(c) Within two business days of the completion of the actions specified in Subparagraph (b)(2)(B) above, the local child support agency shall take administrative action to suspend enforcement of the obligation, accrual of interest, and collection activities on the assigned arrearages that accrued during the time the child was in placement until a final determination is made on the application.

(d) The applicant shall qualify for temporary suspension of enforcement and collection actions, pending a final determination of eligibility for compromise, if all of the following requirements are satisfied:

(1) The applicant has provided a completed Compromise Application Packet.

(2) Either of the following criteria are met:

(A) The child has been adjudged a dependent of the court under Section 300 of the Welfare and Institutions Code and Aid to Families with Dependent Children-Foster Care or KinGAP was expended while the child was a dependent of the court, and the child is residing with and has been reunified with the applicant pursuant to a court order; or

(B) The child received public assistance while living with a guardian or relative caregiver and the child has been returned to the custody of and is residing with the applicant, provided that the applicant for whom the debt compromise is being considered was the applicant with whom the child resided prior to the child's placement with the guardian or relative caregiver.

(3) The applicant for whom the debt compromise is being considered has a gross income less than 300 percent of the federal poverty level guidelines for that family size.

(e) Within 20 business days from determining the applicant's qualification for a temporary suspension as specified in Subsection (b)(2)(B), the local child support agency shall take the following actions to determine the applicant's eligibility for compromise:

(1) Verify that one of the following conditions are satisfied:

(A) The child has been adjudged a dependent of the court under Section 300 of the Welfare and Institutions Code and Aid to Families with Dependent Children-Foster Care or KinGAP was expended while the child was a dependent of the court, and the child is residing with and has been reunified with the applicant pursuant to a court order; or

(B) The child received public assistance while living with a guardian or relative caregiver and the child has been returned to the custody of and is residing with the applicant, provided that the applicant for whom the debt compromise is being considered was the applicant with whom the child resided prior to the child's placement with the guardian or relative caregiver.

(2) Verify the following information from the Application for Compromise, form CS 4477, dated (09/02), and the relevant court form(s) providing information on the applicant's income and expenses:

(A) Local child support agency's case identification number.

(B) Address of the applicant.

(C) Social Security number of the applicant.

(D) Address of the child(ren) for whom arrearages are being considered for compromise.

(E) Social Security number(s) of the child(ren) for whom arrearages are being considered for compromise.

(F) Applicant's relationship to the child(ren).

(G) Time period when the child(ren) was out of the home.

(H) Child(ren) received assistance payments during placement as required by Subparagraph (e)(1).

(I) Child(ren) is currently living with the applicant.

(J) Child(ren) lived with the applicant prior to the child(ren)'s placement in out-of-home care.

(K) Applicant's gross monthly income as defined by Family Code Section 4058.

(L) Applicant's net monthly income as defined by Family Code Section 4059.

(M) All reported extraordinary expenses, such as day care, medical and dental expenses.

(N) Justification for other uses of income as outlined in a reunification plan.

(3) Determine if the applicant has a net disposable income less than 250 percent of the current federal poverty level guidelines.

(A) The 250 percent shall be applied to the family group, which includes the applicant and any other child(ren) the applicant is legally obligated to support and who resides with the applicant.

(B) The 250 percent shall be calculated by comparing the applicant's net disposable income to 250 percent of the federal poverty level for that family size. Income will be computed based on the current month's income at the time of application. Net disposable income shall be computed in accordance with Family

Code Section 4059 and by deducting other expenses as justified in Subparagraph (2)(M) and (N) above, from the applicant's gross income.

(4) It shall be presumed that compromise is necessary for a child's support, if the applicant meets the requirements in Subparagraphs (1) and (3) above. The presumption may be rebutted by a finding that the applicant owns assets, excluding the applicant's primary residence and one vehicle used for transportation, valued in excess of \$10,000 dollars that could be applied to satisfy the arrearages being considered for this compromise.

(5) After the local child support agency has determined that the applicant has met the requirements in Subparagraphs (1), (3) and (4) above, the local child support agency shall confer with the county welfare worker assigned to develop and/or assess compliance with the reunification plan prior to making a final determination on the ability of the applicant to support the child. In the event that the county welfare worker provides written justification that supports a finding that a compromise is not in the best interest of the child, the local child support agency shall deny the request for compromise.

(f) Once the local child support agency has completed the verification of all required elements of eligibility for compromise and determined that the applicant does not meet the requirements specified in Subparagraphs (e)(1), (3) and (4) above, the local child support agency shall take the following actions:

(1) Within 10 business days of the applicant's final determination of ineligibility for compromise, a Notice of Denial Of Application for Compromise, form CS 4479, dated (09/02), shall be sent to the applicant.

(2) Recompute the balance owing on arrearages. Arrearages that would have accumulated during the period of time that collection and enforcement efforts were in suspension shall be reinstated.

(3) Reinstate interest from the date of the final denial, excluding interest on arrearages from the date the application for compromise was determined complete and the temporary suspension of collection and enforcement actions were taken to the date of the final denial.

(4) Initiate any appropriate enforcement or other actions for the repayment of any remaining arrearage balance.

(g) Once the local child support agency has completed the verification of all required elements of eligibility for compromise and determined that the applicant meets the requirements specified in Subparagraphs (e)(1), (3) and (4) above, the local child support agency shall take the following actions:

(1) Within 10 business days after determining eligibility for compromise, send the applicant a Notice of Eligibility for Compromise of Assigned Arrearages, form CS 4478, dated (09/02), incorporated by reference herein. The Notice of Eligibility for Compromise shall advise the applicant that he/she does qualify for a compromise of 100 percent of the principal and interest on the assigned arrearages that accrued as a result of the placement.

(2) The Notice of Eligibility for Compromise shall advise the applicant that without a signed stipulation the application for compromise shall be denied. If the applicant refuses to sign the stipulation or fails to return the stipulation within 20 business days, the local child support agency shall:

(A) Send a Denial of Application for Compromise, form CS 4479, dated (09/02), to the applicant.

(B) Recompute the balance owing on arrearages. Arrearages that would have accumulated during the period of time that collection and enforcement efforts were in suspension shall be reinstated.

(C) Reinstate interest from the date of the final denial, excluding interest on arrearages from the date the application for compromise was determined complete and the temporary suspension of collection and enforcement actions were taken to the date of the final denial.

(D) Initiate any necessary court actions and take appropriate enforcement actions for the repayment of any remaining arrearage balance.

(3) Upon receipt of a signed stipulation, the local child support agency shall take the following actions:

(A) Within 10 business days, file the stipulation to implement the compromise of assigned arrearages.

(B) Within 10 business days initiate any other necessary court actions.

(C) Within 10 business days after the receipt of an approved stipulation and order from the court, make any necessary adjustments to reduce the total arrearages based on the compromise amount.

(D) Initiate the appropriate enforcement action(s) and set a monthly payment amount for the repayment of any remaining arrearage balance when appropriate.

(h) An obligor parent shall not be approved for compromise more than three times in 36 consecutive months, except for those instances where the child is adjudged a dependent of the court under Section 300 of the Welfare and Institutions Code.

NOTE: Authority cited: Sections 17306, 17310 and 17312, Family Code.
References: Sections 708.420 and 708.440(a), Code of Civil Procedure; Sections 4059, 4060, 17402, 17406(j) & (k), 17520(g)(2) and 17550, Family Code; Sections 11200, 11360, 11400, 11401 and 16507.2, Welfare and Institutions Code; 42 United States Code, Section 9902(2).

COMPROMISE

You Could Qualify To Have The Amount Of Your Child Support Debt Lowered

Who Qualifies?

You may qualify if you meet all of the following:

- You are the parent of a child and you owe a public assistance debt because your child received aid from one of the following while your child was not living with either parent:
 - Aid to Families with Dependent Children-Foster Care (AFDC-FC)
 - California Work Opportunity and Responsibility of Kids (CalWORKs) , or
 - Kinship Guardianship Assistance Payment Program (KinGAP)
- The public assistance debt accrued when your child was not living in your house.
- Your child is living with you now.
- Your net income is less than 250% of the federal poverty level.

How Much Of My Past Due Support Debt Can Be Reduced?

- The amount is determined by the local child support services agency based on the facts of your case.
- Can be up to 100%.

What Do I Do?

- You must ask for a Compromise Application Packet from your local child support services agency.
- You must fill out and return a Compromise Application Packet to the local child support services agency.

When Will I Hear Back?

- The local child support agency will send you a letter within 10 business days after receipt of a complete Compromise Application Packet on the status of your application.

If you have any questions or you would like more information please contact your local child support agency at the telephone number listed on the back of this form.

HOW TO MAKE A COMPLAINT ABOUT YOUR APPLICATION FOR COMPROMISE

RIGHT TO COMPLAINT RESOLUTION:

If you think a mistake has been made in the way your application was handled or the amount of support the Local Child Support Agency (LCSA) has arrived at for your compromise, the LCSA has a complaint resolution process. To start the complaint resolution process you should call your LCSA at () - or write your LCSA at the address below:

Local Child Support Agency

IMPORTANT: Your request for complaint resolution must be made within 90 days from the date you knew, or should have known, about the mistake you feel was made.

The LCSA has 30 days from the date it receives your complaint to provide you with a written resolution of your complaint, unless the LCSA determines more information or time is needed to resolve your complaint. The LCSA will contact you if it needs more information or time to resolve your complaint.

RIGHT TO A STATE HEARING

If the LCSA **does not** respond to you within 30 days from receiving your complaint, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If the LCSA did not respond to you in 30 days, and you decided to request a state hearing, your request for a state hearing must be made within 90 days after you made your complaint with the LCSA.

If the LCSA **does** respond to you within 30 days of making your complaint, and you are not satisfied with the LCSA's complaint resolution, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If you are not satisfied with the LCSA's complaint resolution or response, and you decide to request a state hearing, your request for a state hearing must be made within 90 days after you received the LCSA's written response. You will receive instructions on how to file for a state hearing when you file a complaint with the LCSA.

APPLICATION FOR COMPROMISE**PART I: INFORMATION ABOUT THE OBLIGOR PARENT AND CHILD**

1. NAME OF OBLIGOR PARENT			3. TELEPHONE NUMBER OF OBLIGOR PARENT ()		
2. ADDRESS OF OBLIGOR PARENT			4. SOCIAL SECURITY NUMBER OF OBLIGOR PARENT		
CITY	STATE	ZIP CODE	5. LCSA CASE NUMBER		

6. NAME OF THE CHILD(REN) FOR WHOM THE ARREARAGES ACCRUED:		7.(A.) - CHILD'S SOCIAL SECURITY NUMBER	
A.		7.(B.) - CHILD'S SOCIAL SECURITY NUMBER	
B.		7.(C.) - CHILD'S SOCIAL SECURITY NUMBER	
C.		7.(D.) - CHILD'S SOCIAL SECURITY NUMBER	
D.			

8. YOUR RELATIONSHIP TO THE CHILD: (PLEASE CHECK ONE)

☐ Natural Mother
 ☐ Adoptive Mother
 ☐ Natural Father
 ☐ Adoptive Father

9. PERIOD WHEN THE CHILD WAS OUT OF THE HOME

From: / /	To: / /	From: / /	To: / /
From: / /	To: / /	From: / /	To: / /

10. CHECK BELOW WHERE YOUR CHILD(REN) WAS LIVING DURING THE TIME YOUR CHILD(REN) WAS OUT OF YOUR HOME.

A. Foster Care: ☐ YES ☐ NO If "YES", was the child(ren) placed in Foster Care by the juvenile court (Welfare and Institutions Code Section 300)? ☐ YES ☐ NO

B. With a guardian or relative caregiver who got CalWORKS for the child?..... ☐ YES ☐ NO
 If YES, with who? _____ Relationship to child: _____

C. With a guardian or relative caregiver who got KinGap for the child ☐ YES ☐ NO
 If YES, with who? _____ Relationship to child: _____

11. Is the child currently living with you on a full time basis?..... ☐ YES ☐ NO

12. Did the child live with you on a full time basis before being placed in Foster Care or with the guardian or relative caregiver?..... ☐ YES ☐ NO

PART II: INCOME AND EXPENSES

1. Are you providing for the full support of your child?.....	<input type="checkbox"/> YES <input type="checkbox"/> NO
2. You must complete the enclosed court form(s) which provide information about your income and expenses	
3. Do you have any other extra expenses that were not identified on the enclosed income and expense forms?.....	<input type="checkbox"/> YES <input type="checkbox"/> NO
If "YES" please explain: _____	

PART III: HARDSHIP

1. Do you believe the compromise of arrearages being requested is necessary for you to be able to support your child(ren) named in this application?.....	<input type="checkbox"/> YES <input type="checkbox"/> NO
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DECLARATION:

I declare under penalty of perjury under the laws of the State of California that the foregoing and the attached information are true and correct.

Print Name: _____ Signature: _____ Date: _____

LOCAL CHILD SUPPORT AGENCY NAME:

LOCAL CHILD SUPPORT AGENCY (LCSA) CASE NUMBER:

NOTICE OF ELIGIBILITY FOR COMPROMISE OF ARREARAGES

The Application for Compromise you sent us was received on _____ and has been reviewed.

The local child support agency has determined that you are eligible for a compromise of your assigned arrearages. The determination was based on the local child support agency finding that your net disposable income was \$ _____. It has been determined that you qualify for a compromise of \$ _____ in your assigned arrearages. This amount will be subtracted from the total arrearages you owe at this time. The total arrearage you now owe for past due support is \$ _____.

We are enclosing a Stipulation that you must sign and return before your compromise is final. **You have 20 business days from the date of this notice to sign and return the Stipulation. If you do not return the Stipulation within 20 business days from the date of this notice, your compromise will be denied.**

The local child support agency will submit the signed stipulation agreement to the court. That agreement will show the amount of arrearages to be erased. Once the court has approved the agreement, your support arrearage account will be lowered to show the amount of arrearages that you still owe for your child(ren). A copy of the final stipulation approved by the court will be sent to you.

If you have any questions about this notice, please contact your Local Child Support Agency representative.

Local Child Support Agency Case Worker Name :

HOW TO MAKE A COMPLAINT ABOUT YOUR APPLICATION FOR COMPROMISE

RIGHT TO COMPLAINT RESOLUTION:

If you think a mistake has been made in the way your application was handled or the amount of support the Local Child Support Agency (LCSA) has arrived at for your compromise, the LCSA has a complaint resolution process. To start the complaint resolution process you should call your LCSA at () - or write your LCSA at the address below:

Local Child Support Agency

IMPORTANT: Your request for complaint resolution must be made within 90 days from the date you knew, or should have known, about the mistake you feel was made.

The LCSA has 30 days from the date it receives your complaint to provide you with a written resolution of your complaint, unless the LCSA determines more information or time is needed to resolve your complaint. The LCSA will contact you if it needs more information or time to resolve your complaint.

RIGHT TO A STATE HEARING

If the LCSA **does not** respond to you within 30 days from receiving your complaint, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If the LCSA did not respond to you in 30 days, and you decided to request a state hearing, your request for a state hearing must be made within 90 days after you made your complaint with the LCSA.

If the LCSA **does** respond to you within 30 days of making your complaint, and you are not satisfied with the LCSA's complaint resolution, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If you are not satisfied with the LCSA's complaint resolution or response, and you decide to request a state hearing, your request for a state hearing must be made within 90 days after you received the LCSA's written response. You will receive instructions on how to file for a state hearing when you file a complaint with the LCSA.

LOCAL CHILD SUPPORT AGENCY NAME:

LOCAL CHILD SUPPORT AGENCY (LCSA) CASE NUMBER:

NOTICE OF DENIAL OF APPLICATION FOR COMPROMISE

☐ A. From your application, we determined you **do not meet the minimum requirements for eligibility for a compromise** because:

☐ Your child is not currently living with you.

☐ Your net income is \$, which for a household of is too high to qualify for a compromise.

☐ Your child did not receive Foster Care, CalWORKs, or KinGAP benefits during the period your child was out of your home.

☐ Your gross income is \$, which for a household of is too high to qualify for a compromise.

☐ Other:

☐ B. Your application is denied because we sent you a Stipulation and you did not sign and return it within the required 20 business days.

Since your application has been denied, this agency will continue to collect the child support payments you owe for your child(ren). If you feel that a change in your case may make you eligible for a compromise, you may reapply.

If you have any questions about this notice, please contact your Local Child Support Agency representative.

Local Child Support Agency Case Worker Name :

HOW TO MAKE A COMPLAINT ABOUT YOUR APPLICATION FOR COMPROMISE

RIGHT TO COMPLAINT RESOLUTION:

If you think a mistake has been made in the way your application was handled or the amount of support the Local Child Support Agency (LCSA) has arrived at for your compromise, the LCSA has a complaint resolution process. To start the complaint resolution process you should call your LCSA at () - or write your LCSA at the address below:

Local Child Support Agency

IMPORTANT: Your request for complaint resolution must be made within 90 days from the date you knew, or should have known, about the mistake you feel was made.

The LCSA has 30 days from the date it receives your complaint to provide you with a written resolution of your complaint, unless the LCSA determines more information or time is needed to resolve your complaint. The LCSA will contact you if it needs more information or time to resolve your complaint.

RIGHT TO A STATE HEARING

If the LCSA **does not** respond to you within 30 days from receiving your complaint, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If the LCSA did not respond to you in 30 days, and you decided to request a state hearing, your request for a state hearing must be made within 90 days after you made your complaint with the LCSA.

If the LCSA **does** respond to you within 30 days of making your complaint, and you are not satisfied with the LCSA's complaint resolution, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If you are not satisfied with the LCSA's complaint resolution or response, and you decide to request a state hearing, your request for a state hearing must be made within 90 days after you received the LCSA's written response. You will receive instructions on how to file for a state hearing when you file a complaint with the LCSA.

LOCAL CHILD SUPPORT AGENCY NAME:

LOCAL CHILD SUPPORT AGENCY (LCSA) CASE NUMBER:

**NOTICE OF TEMPORARY SUSPENSION OF CHILD SUPPORT
COLLECTION AND ENFORCEMENT**

The Application for Compromise you sent us was received on
and has been reviewed.

From your application, we determined you qualify for temporary suspension of collection and enforcement actions on the assigned arrearages you owe for the period of time when your child was not living in your house. You may qualify for a compromise of those assigned child support arrearages. We are required to check the information on your application before we can make a final decision. As soon as the final review is complete, we will send you written notice.

We will not collect on your assigned child support arrearage payments that are under review for compromise. We will continue to collect all other child support owed.

If you have any questions about this notice, please contact your Local Child Support Agency representative.

Local Child Support Agency Case Worker Name :

HOW TO MAKE A COMPLAINT ABOUT YOUR APPLICATION FOR COMPROMISE

RIGHT TO COMPLAINT RESOLUTION:

If you think a mistake has been made in the way your application was handled or the amount of support the Local Child Support Agency (LCSA) has arrived at for your compromise, the LCSA has a complaint resolution process. To start the complaint resolution process you should call your LCSA at () - or write your LCSA at the address below:

Local Child Support Agency

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RIGHT TO A STATE HEARING

If the LCSA **does not** respond to you within 30 days from receiving your complaint, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If the LCSA did not respond to you in 30 days, and you decided to request a state hearing, your request for a state hearing must be made within 90 days after you made your complaint with the LCSA.

If the LCSA **does** respond to you within 30 days of making your complaint, and you are not satisfied with the LCSA's complaint resolution, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If you are not satisfied with the LCSA's complaint resolution or response, and you decide to request a state hearing, your request for a state hearing must be made within 90 days after you received the LCSA's written response. You will receive instructions on how to file for a state hearing when you file a complaint with the LCSA.

LOCAL CHILD SUPPORT AGENCY NAME:

LOCAL CHILD SUPPORT AGENCY (LCSA) CASE NUMBER:

NOTICE OF INCOMPLETE APPLICATION FOR COMPROMISE
--

The Application for Compromise you sent was received on and has been reviewed.

☐ A. Your application is not complete because:

☐ You did not return your Application for Compromise, form CS 4477.

☐ You did not sign the Application.

☐ You did not complete all lines on the Application.

☐ You did not return the court forms on your income and expenses.

☐ You did not complete all lines on the income and expense form(s).

☐ Other:

When we receive the requested information, this agency will notify you within 10 business days if you are eligible for review of a compromise.

If you have any questions about this notice, please contact your Local Child Support Agency representative.

Local Child Support Agency Case Worker Name :

HOW TO MAKE A COMPLAINT ABOUT YOUR APPLICATION FOR COMPROMISE

RIGHT TO COMPLAINT RESOLUTION:

If you think a mistake has been made in the way your application was handled or the amount of support the Local Child Support Agency (LCSA) has arrived at for your compromise, the LCSA has a complaint resolution process. To start the complaint resolution process you should call your LCSA at () - or write your LCSA at the address below:

Local Child Support Agency

IMPORTANT: Your request for complaint resolution must be made within 90 days from the date you knew, or should have known, about the mistake you feel was made.

The LCSA has 30 days from the date it receives your complaint to provide you with a written resolution of your complaint, unless the LCSA determines more information or time is needed to resolve your complaint. The LCSA will contact you if it needs more information or time to resolve your complaint.

RIGHT TO A STATE HEARING

If the LCSA **does not** respond to you within 30 days from receiving your complaint, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If the LCSA did not respond to you in 30 days, and you decided to request a state hearing, your request for a state hearing must be made within 90 days after you made your complaint with the LCSA.

If the LCSA **does** respond to you within 30 days of making your complaint, and you are not satisfied with the LCSA's complaint resolution, you have the right to request a state hearing before an Administrative Law Judge.

IMPORTANT: If you are not satisfied with the LCSA's complaint resolution or response, and you decide to request a state hearing, your request for a state hearing must be made within 90 days after you received the LCSA's written response. You will receive instructions on how to file for a state hearing when you file a complaint with the LCSA.

STATE OF CALIFORNIA

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

See SAM Sections 6600-6680 for Instructions and Code Citations

STD. 399 (Rev. 2-98)

Department Name Child Support Services	Contact Person Tonya Crawford-Comage Gary Fujii-Budget	Telephone Number (916) 464-5224 (916) 464-5177
Descriptive Title From Notice Register or Form 400 Chapter 9. Collection and Distribution Article 6 Compromise of Arrearages		Notice File Number

ECONOMIC IMPACT STATEMENT

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *(Include calculations and assumptions in the rulemaking file.)*

1. Check the appropriate box(es) below to indicate whether this regulation:

- ☐ a. Impacts businesses and/or employees ☐ e. Imposes reporting requirements
☐ b. Impacts small businesses ☐ f. Imposes prescriptive instead of performance standards
☐ c. Impacts jobs or occupations ☐ g. Impacts individuals
☐ d. Impacts California competitiveness ☒ h. None of the above (Explain below. Complete for Fiscal Impact Statement as appropriate).

h. (cont.)

These regulations interpret, implement and make specific new state law related to the compromise of arrearages and interest owed for reimbursement of certain public assistance payments paid for a child placed in foster care or with a relative caretaker or a guardian. The regulations will allow local child support agencies to compromise arrearages in cases where separation or desertion of a parent results in aid being granted to the child and subsequently, the child is returned to the parent. This is a new mandate and will result in an increase in the level of service currently provided or activities currently performed, by the local child support agencies. However, these regulations do not place additional requirements on persons who avail themselves of the services provided under California's Child Support Program. The provisions in these regulations will actually provide a financial benefit to obligor parents who apply for and qualify for a compromise.

2. Enter the total number of businesses impacted:)

Describe the types of businesses (include nonprofits):

Enter the number or percentage of total businesses impacted that are small businesses:

3. Enter the number of businesses that will be created: eliminated: _ Explain:

4. Indicate the geographic extent of impacts: ☐ Statewide ☐ Local or regional (list areas)
5. Enter the number of jobs created:___ or eliminated:___ Describe the types of jobs or occupations impacted: ___.
6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? ☐ Yes ☐ No

B. ESTIMATED COSTS *(Include calculations and assumptions in the rulemaking file).*

1. What are the total statewide costs that businesses and vendors may incur to comply with this regulation over its lifetime? \$
- a. Initial costs for a small business: Annual ongoing costs:
b. Initial costs for a typical business: Annual ongoing costs:
c. Initial costs for an individual: Annual ongoing costs:
d. Describe other economic costs that may occur:
2. If multiple industries are impacted, enter the share of total costs for each industry:
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements (include the dollar amounts to do record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted).
4. Will this regulation directly impact housing costs? ☐ Yes ☐ No If yes, enter the annual dollar cost per housing unit \$_____ and the number of units:_____.
5. Are there comparable Federal regulations? ☐ Yes ☐ No Explain the need for State regulation given the existence or absence of Federal regulations:

C. ESTIMATED BENEFITS *(Include calculations and assumptions in the rulemaking file)*

1. Briefly summarize the benefits that may result from this regulation and who will benefit:
2. Are the benefits the result of: ☐ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority? Explain:
3. What are the total statewide benefits from this regulation over its lifetime?

D. ALTERNATIVES TO THE REGULATION *(Include calculations and assumptions in the rulemaking file).*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation:	Benefit:	Cost
Alternative 1:	Benefit:	Cost
Alternative 2:	Benefit:	Cost

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:
4. Rulemaking law requires agencies to consider performance standards as an alternative if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?
☐ Yes ☐ No

Explain:

MAJOR REGULATIONS *(Include calculations and assumptions in the rulemaking file)*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? ☐ Yes ☐ No (If no, skip the rest of this section)
2. Briefly describe each equally as effective alternatives, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1:

Alternative 2:

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: \$ _____	Cost-effectiveness ratio:
Alternative 1: \$ _____	Cost-effectiveness ratio:
Alternative 2: \$ _____	Cost-effectiveness ratio:

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT *(Indicate appropriate boxes 1. through 6. and attach calculations and assumptions of fiscal impact for the current year and two subsequent years.)*

- ☐ 1. Additional expenditures of approximately \$_____ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:
- ☐ a. is provided in (Item_____ Budget Act of__) or (Chapter____, Statutes of ____)
- ☐ b. will be requested in the _____ Governor's Budget for appropriation in Budget Act of _____.
- ☐ 2. Additional expenditures of approximately \$_____ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:
- ☐ a. implements the Federal mandate contained in_____.
- ☐ b. implements the court mandate set forth by the court in the case of _____ vs. _____.
- ☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No____ at the _____ election.
- ☐ d. is issued only in response to a specific request from the_____ which is/are the only local entity(s) affected.
- ☐ e. will be fully financed from the_____ authorized by Section_____ of the Code.
- ☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.
- ☐ 3. Savings of approximately \$_____ annually.
- ☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.
- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.

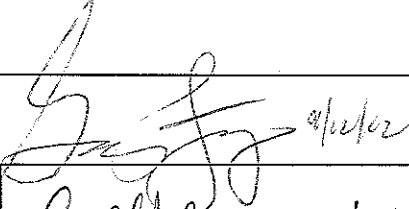
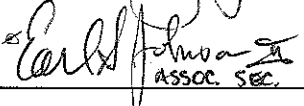
- ☒ 6. Other. Lost child support collections (revenue) of approximately \$1,039,000 in the current state fiscal year. There are no local government expenditures.

B. FISCAL EFFECT ON STATE GOVERNMENT *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent fiscal years)*

- ☐ 1. Additional expenditures of approximately \$_____ in the current State Fiscal Year. It is anticipated that State agencies will:
- ☐ a. be able to absorb these additional costs within their existing budgets and resources.
 - ☐ b. request an increase in the currently authorized budget level for the _____ fiscal year.
- ☐ 2. Savings of approximately \$_____ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- ☒ 4. Other. Lost child support collections (revenue) of approximately \$693,000 in the current state fiscal year. Also, additional expenditures of \$25,000 for staffing in the current state fiscal year. However, due to lower revenues and other demand the State General Fund the proposed workload will be absorbed within the existing budget and resources. The total impact is \$718,000.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent years.)*

- ☐ 1. Additional expenditures of approximately \$_____ in the current State Fiscal Year.
- ☐ 2. Savings of approximately \$_____ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- ☒ 4. Other. Lost child support collections (revenue) of approximately \$659,000 in the current state fiscal year. Also, additional expenditures of \$49,000 for staffing in the current state fiscal year. However, due to lower revenues and other demand the State General Funds, the proposed workload will be absorbed within the existing budget and resources; therefore, no additional federal match required. The total impact is \$708,000.

SIGNATURE ✍ Gary Fujii	 9/29/02	TITLE Chief, Financial Planning Section
AGENCY SECRETARY ¹ APPROVAL/CONCURRENCE	 9/29/02 ASSOC. SEC.	DATE 9/29/02
DEPARTMENT OF FINANCE ² APPROVAL/CONCURRENCE	PROGRAM BUDGET MANAGER ✍	DATE

1. The signature attests that the agency has completed the STD 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
2. Finance approval and signature is required when SAM sections 6050-6057 require completion of the Fiscal Impact Statement in the STD 399. However, Finance must immediately receive a copy of each STD 399 submitted to OAL without Finance signature and Finance may subsequently question the "no fiscal impact" finding of a state agency.

NOTE: The estimate below is reflected in the DCSS May 2002 Revision and the AB 1449 enrolled bill report. The estimate assumes that the majority of the impact is from Foster Care reunification cases. It is assumed that CalWORKS and KinGAP caseload would be minimal.

For FY 2002-03, the May 2002 Revision reflects lost revenues for nine months from Child Support Program Collections and State Operations cost for one AGPA for a full year as follows:

FY 2002-03	Total	Federal	State	County
Local Assistance (Lost Child Support Collections)	\$2,391,000	\$659,000	\$693,000	\$1,039,000
State Operations*	74,000	49,000	25,000	0
Total	\$2,465,000	\$708,000	\$718,000	\$1,039,000

* Due to lower revenues and increased demands on the State General Fund the proposed workload will be absorbed within the existing budget and resources.

Ongoing annual lost revenues from Child Support Program Collections and State Operations cost for one AGPA for a full year are as follows:

Annual/Ongoing	Total	Federal	State	County
Local Assistance (Lost Child Support Collections)	\$4,144,000	\$1,143,000	\$1,200,000	\$1,801,000
State Operations*	74,000	49,000	25,000	0
Total	\$4,218,000	\$1,192,000	\$1,225,000	\$1,801,000

* If the proposed workload exceeds the existing budget and resources, a request may be submitted to fund the position.